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FISCAL IMPACT STATEMENT

LS 7103 **NOTE PREPARED:** Apr 9, 2009
BILL NUMBER: SB 554 **BILL AMENDED:** Feb 17, 2009

SUBJECT: Breast Cancer Screening and Medicaid Eligibility.

FIRST AUTHOR: Sen. Becker **BILL STATUS:** As Passed House
FIRST SPONSOR: Rep. Welch

FUNDS AFFECTED: X **GENERAL** **IMPACT:** State
DEDICATED
X **FEDERAL**

Summary of Legislation: This bill adds additional providers to those who are authorized in the screening for breast or cervical cancer for individuals in determining the individual's eligibility for participation in Medicaid.

The bill requires the Indiana State Department of Health (ISDH) to change the ISDH's Breast and Cervical Cancer Screening Program plan to designate Indiana as an option three state for the program.

Effective Date: Upon passage; July 1, 2009.

Explanation of State Expenditures: (Revised) *Summary:* Depending upon administrative actions, the Breast and Cervical Cancer Screening Program could convert to an "Option 3" state which would allow Medicaid eligibility for women screened and diagnosed outside the screening program with little or no additional expense. It has been reported that Medicaid could provide treatment services for this additional group within the current level of resources available; however, the fiscal estimate provided by the agency (which results in a projected savings to the state) does not mention the potential expense associated with treating additional eligible individuals with treatable precancerous conditions. The costs not included in the FSSA fiscal estimate may be partially offset by the $213,000 savings projected by FSSA resulting in additional Medicaid state costs of $459,000. This estimate does not include any savings that would be realized due to early intervention and treatment especially for individuals with precancerous cervical lesions. It also does not include the effect of any federal ARRA Medicaid stimulus funds.

Background Information-

The bill requires ISDH, as the Centers for Disease Control (CDC) Title XV state grantee, to revise the state plan for the Breast and Cervical Cancer Screening Program to recognize other screening providers and entities and to include those screening activities under the CDC grant. The bill specifies that the ISDH designate the state as an Option 3 state under the program. Option 3 states that "the woman is screened by any other provider or entity and the state CDC Title XV grantee has elected to include screening activities by that provider and screening activities under the CDC grant". This provision would require the ISDH to revise the plan. ISDH could revise the administrative functions within the screening program to accommodate recognizing the screening activities of more providers. When South Carolina converted its screening program from an Option 1 to an Option 3 state in July 2005, the screening program received no additional resources from the state. The South Carolina program implemented the additional medical eligibility certifications required to establish Medicaid eligibility by using existing staff.

Currently, only women in need of treatment who are screened through the Option 1 Breast and Cervical Cancer Screening Program administered by the ISDH are eligible for Medicaid. The bill specifies that women under the age of 65 who have no credible health insurance, whose family income is less than 200% of the federal poverty level, and who are determined to need treatment for breast or cervical cancer as a result of screening done by the ISDH program or other providers under the federal Breast and Cervical Cancer Mortality Prevention Act of 1990 are eligible for Medicaid. CDC screening program data indicates that in five years, 112 women were diagnosed with breast or cervical cancer through the ISDH screening program following screening examinations funded through another source. This data indicates that the ISDH screening program may be duplicating services in order to allow otherwise qualified individuals that were diagnosed outside the screening program, access to Medicaid-provided treatment.

(Revised) OMPP reported that 374 women were enrolled in the Medicaid Breast and Cervical Cancer Treatment Services program with an average cost of $14,204 for FY 2008. The total cost for FY 2008 was $5.3 M requiring approximately $1.4 M in state general funds. FSSA has an estimate that suggests that allowing for the change of eligibility category for women with breast or cervical cancer could result in $213,000 in state general fund savings by leveraging state funds with the enhanced match rate available for the Breast and Cervical Cancer Medicaid eligibility category. (The regular Medicaid FMAP for FFY 2010 is 65.93% while the enhanced rate is 76.15%.) Federal stimulus funds available for Medicaid under the American Recovery and Reinvestment Act (ARRA) of 2009 would eliminate the recognition of these savings until after December 2010. It has been reported that Medicaid could provide treatment costs for an expansion of the population in this program within the current level of resources available. However, the estimated Medicaid fiscal impact from FSSA is based only on the number of cancer diagnoses that might be anticipated to change eligibility status within Medicaid. It does not include the treatment costs for precancerous cervical lesions that also would allow for Medicaid eligibility and treatment under Option 3. Treatment costs for the precancerous conditions would be much less and for a shorter duration of time than for patients with an actual cancer diagnosis. South Carolina reported that using the Option 3 eligibility resulted in 1,100 additional women in treatment over a 3.5-year period of time. The Option 3 program was reported by South Carolina to cost about $2.8 M each year, or about $560,000 in state general funds. (South Carolina had a 20% state match required for this program.) If Indiana experienced similar results, conversion to the Option 3 category might result in additional total state Medicaid costs of approximately $672,000. This may be be partially offset by the $213,000 savings projected by FSSA resulting in additional net Medicaid state costs of $459,000. This estimate also does not include any savings that would be realized due to early intervention and treatment especially for individuals with precancerous cervical lesions.

South Carolina Best Chance Network - Conversion to Option 3: In July 2005, South Carolina expanded eligibility for Medicaid from Option 1 to Option 3 in the Best Chance Network, the name of the Breast and Cervical Cancer Screening Program in that state. The South Carolina General Assembly appropriated an additional $1 M for the Medicaid program to provide funding for the treatment of women diagnosed outside the Best Chance Network at that time. The Best Chance Network received no state resources for the expansion population and continued to operate with only CDC grant funding. The Best Chance Network does not provide case management services or followup for women diagnosed outside the Network's enrolled population. Case management services in South Carolina are provided on an internal contractual basis by medical social workers located in each county and employed by the state for home health care services. The Best Chance Network does review pathology reports and other medical documentation to ascertain that women diagnosed outside the Network meet the medical eligibility criteria necessary to qualify for treatment in the Medicaid eligibility classification. This certification is done by a trained medical social worker and a registered nurse.

The South Carolina Best Chance Network reported that since the Option 3 was implemented in July 2005, 1,100 women have been covered by the Medicaid program, of whom, 40 % were under the age of 40 years. In January 2009, South Carolina temporarily ended the Option 3 Medicaid coverage as a cost-saving measure. As of December 2008, there were 700 women receiving treatment in the program. (The federal ARRA act required that the program be restored in order to qualify for Medicaid stimulus funds.)

The Federal Breast and Cervical Cancer Prevention and Treatment Act of 2000: The Federal Breast and Cervical Cancer Prevention and Treatment Act of 2000 amended the Medicaid program to give states enhanced matching funds in order to provide Medicaid eligibility to a new group of individuals not previously eligible under the program. The Act specifies that full Medicaid benefits may be provided only to uninsured women in need of treatment, under age 65, and who are identified through the National Breast and Cervical Cancer Early Detection Program operated by the CDC. There are no Medicaid income or resource limitations imposed by federal law for this eligibility group.

(Revised) *Healthy Indiana Plan (HIP):* Women under the age of 65 who have no credible health insurance and whose family income is less than 200% of the federal poverty level could potentially be eligible for coverage under the HIP program. The HIP program requires that enrolled individuals receive age- and gender-appropriate screening services . As of February 20, 2009, 26,101 women were enrolled in the HIP program. Approximately 15,500 were between the ages of 40-64. This program should be considered in determining the size of the population eligible for screening in the Breast and Cervical Cancer Screening Program.

National Breast and Cervical Cancer Early Detection Program: The Indiana State Department of Health's Breast and Cervical Cancer Program (BCCP) receives both state and federal funds. The program helps uninsured and underserved women gain access to screening services for the early detection of breast and cervical cancers. BCCP provides clinical breast examinations, mammograms, and Pap tests for eligible women, as well as diagnostic testing for women whose screening outcome is abnormal. BCCP serves between 6,000 and 7,000 women annually. Eligibility is limited to women who are at or below 200% of the federal poverty level, between 40 and 64 years of age, and uninsured or underinsured.

CDC considers a woman to have been screened under the program if she comes under any one of the following categories:

(1) CDC Title XV funds paid for all or part of the cost of her screening services.

(2) The woman is screened under a state BCCP in which her particular service was not paid

for by Title XV funds but the service was provided by an entity funded at least in part by Title XV grant funds, the service was within the scope of the grant, and the state CDC Title XV grantee has elected to include such screening activities by that provider as screening activities under the CDC grant.
(3) The woman is screened by any other provider or entity and the state CDC Title XV grantee has elected to include screening activities by that provider and screening activities under the CDC grant.

Explanation of State Revenues: See also *Explanation of State Expenditures*. The state share of enhanced medical expenditures is approximately 26%. Enhanced medical services are matched by the federal match rate in Indiana at approximately 74%. Administrative expenditures are generally matched at 50%.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: OMPP, Family and Services Administration.

Local Agencies Affected:

Information Sources: CMS State Health Official Letter, January 4, 2001, Breast and Cervical Cancer Prevention and Treatment Act of 2000 - *Eligibility, and National Breast and Cervical Cancer Early Detection Program Summaries - Indiana* at:
http://www.cdc.gov/cancer/nbccedp/data/summaries/indiana.htm

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